

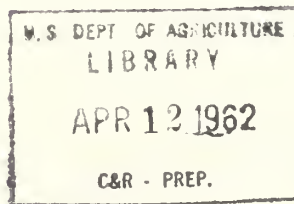
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Mr. L. L. L.

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IMPORT CONTROLS UNDER SECTION 22
OF THE AGRICULTURAL ADJUSTMENT
ACT, AS AMENDED



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U.S. UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
IMPORT PROGRAMS BRANCH
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CONTENTS

	Page
Summary of Section 22 Authority.....	1
Act under Section 22.....	1
Cotton and Cotton Products.....	2
Wheat and Wheat Products.....	4
Specified Dairy Products.....	5
Flaxseed and Linseed Oil.....	7
Peanuts and Peanut Oil.....	7
Rye, Rye Flour and Meal.....	8
Tung Oil and Tung Nuts.....	8

Authority. Section 22 of the Agricultural Adjustment Act, as amended, authorizes the President to impose additional fees or quotas on the importation of commodities when he finds such importation tends to render ineffective or materially interfere with any price support or other program relating to agricultural commodities undertaken by the Department of Agriculture. The additional fees may not exceed 50 percent ad valorem and the quotas proclaimed may not be less than 50 percent of the quantity imported during a previous representative period, as determined by the President.

No trade agreement or other international agreement entered into at any time by the United States may be applied in a manner inconsistent with the requirements of Section 22.

Actions under Section 22 are initiated in the Department of Agriculture. The Secretary of Agriculture, on his own initiative, or upon application of any interested person, conducts a preliminary investigation. If, on the basis of such investigation, he has reason to believe that any products are being or are practically certain to be imported in such quantities and under such conditions as to materially interfere with a program of the Department, the Secretary so advises the President. If the President agrees there is reason for such belief, he directs the Tariff Commission to conduct a full scale investigation. Upon such direction, the Tariff Commission is required to make an immediate investigation, including public hearings and to make a report and recommendation to the President. The views of the Department of Agriculture are presented at the public hearing. Decisions of the President as to the facts are final.

A special provision is made for emergency conditions. Upon report to the President by the Secretary of Agriculture that a condition exists requiring emergency treatment the President may take action without awaiting the report of the Tariff Commission. Any such action by the President shall continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President.

Action Taken. Currently, Section 22 import controls are in effect for seven groups of commodities: cotton and cotton products, wheat and wheat products, specified dairy products, flaxseed and linseed oil, peanuts and peanut oil, rye and rye flour and meal, and tung oil and tung nuts. Two of these actions (those on cotton and cotton products, and wheat and wheat products) have been in effect for many years. The other five are relatively recent actions. Generally, controls are of a continuing nature, although restrictions on imports of certain commodities, i.e. tung nuts and oil, may expire on a prescribed date.

Import controls on oats, barley and certain edible tree nuts have recently been in effect, but were not continued beyond September 30, 1955. Controls were reimposed on almonds for one year beginning October 23, 1957 and ending September 30, 1958. Quotas on harsh or rough cotton, in effect since September 20, 1946, were removed on January 28, 1958.

The commodities now under control and the dates on which the initial controls were imposed are as discussed below:

1. Cotton and Cotton Products

Controls have been in effect on long staple and short staple cotton and on cotton waste since September 20, 1939, based upon average annual imports during the period July 1, 1928 - June 30, 1933. In recent years, supplemental quotas were issued for certain types of long staple cotton. The current quotas are the same as those imposed initially. Beginning August 1, 1958, the quota on long staple cotton is subdivided on the basis of staple length for future quota years. 1/

A. Annual quotas currently in effect are as follows:

(1) Global quotas

	<u>Base Period</u> <u>Imports</u>	<u>Quota</u>	<u>Quota Period</u>
Long Staple Cotton (1-1/8 inches or longer)	68,085,885 lbs.	45,656,420 lbs. <u>1/</u>	Aug. 1 - July 31

(2) Country Quotas 2/

	<u>Base Period</u> <u>Imports</u>	<u>Quota</u>	<u>Quota Period</u>
Short Staple Cotton (less than 1-1/8 inches)	15,504,403 lbs.	14,516,882 lbs.	Sept. 20 - Sept. 19

<u>Country</u>	<u>Quota</u> (pounds)
Egypt and the Sudan	783,816
Peru	247,952
India <u>3/</u>	2,003,483
China	1,370,791
Mexico	8,883,259
Brazil	618,723
U.S.S.R.	475,124
Other Countries <u>4/</u>	<u>133,734</u>
Total	14,516,882

1/ Beginning August 1, 1958, the President's proclamation subdivides the quota on the basis of staple length as follows: 39,590,778 pounds for extra-long-staple cotton (1-3/8 inches or more in length); and 6,065,642 pounds for ordinary-long-staple (1-1/8 inches or more but less than 1-3/8 inches in length); *can't bottom next page*

2/ Cotton of the type allocated by country of origin may not be imported from countries not listed.

3/ Since partition of the country, imports from India and Pakistan have been charged on a "first come - first served" basis against the quota established for India.

4/ Argentina, Haiti, Ecuador, Honduras, Paraguay, Colombia, Iraq, British East Africa (Uganda, Kenya and Tanganyika), Netherlands East Indies, the West Indies Federation (other than Barbados, Jamaica, Trinidad, and Tobago), Nigeria, British West Africa (other than Ghana and Nigeria), French Africa (other than Algeria, Tunisia, and Madagascar).

	<u>Base Period</u> <u>Imports</u>	<u>Quota</u>	<u>Quota Period</u>
Cotton Waste (card strips made from cotton under 1-3/16 inches, comber waste, lap waste, sliver waste, roving waste)	NA <u>1/</u>	5,482,509 lbs. <u>2/</u>	Sept. 20 - Sept. 19

<u>Country</u>	<u>Quota</u> (pounds)
United Kingdom	4,323,457
Canada	239,690
France	227,420
India <u>3/</u>	69,627
Netherlands	68,240
Switzerland	44,388
Belgium	38,559
Japan	341,535
China	17,322
Egypt	8,135
Cuba	6,544
Germany	76,329
Italy	<u>21,263</u>
Total	5,482,509

B. Recent imports are as follows:

	<u>Quota Period</u>	<u>Imports</u> (Pounds)
Long Staple Cotton	1954-55	45,656,420
	1955-56 <u>4/</u>	45,656,420
	1956-57	45,656,420
	1957-58	45,656,420
	1958-59 <u>5/</u>	45,124,133

1/ The annual average imports of 23,173,884 pounds during the representative period included receipts of waste types which were not put under quota.

2/ Not more than 33-1/3 percent shall be filled by cotton wastes other than comber waste made from cottons of 1-3/16 inches or more in staple length in the case of United Kingdom, France, the Netherlands, Switzerland, Belgium, Germany, and Italy.

3/ Since partition of the country, imports from India and Pakistan have been changed on a "first come - first serve" basis against the quota established for India.

4/ Extra quota allowance of 22,828,210 pounds for the period February 1, 1956 to July 31, 1956; imports against this quota allowance totaled 15,857,420 pounds.

5/ Imports through 12/9/58.

Provided, that of such 6,065,642 pounds, not more than 1,500,000 pounds shall consist of harsh or rough cotton (except cotton of perished staple, grabbats, and cotton pickings), white in color and having a staple of 1-5/32 inches or more in length, and not more than 4,565,642 pounds shall consist of other cotton.

	<u>Quota Period</u>	<u>Imports</u> (Pounds)
Short Staple Cotton	1954-55	10,516,882
	1955-56	10,208,000
	1956-57	9,626,929
	1957-58	9,516,527
	1958-59 <u>1/</u>	9,501,982
Cotton Waste	1954-55	1,482,509
	1955-56	1,342,270
	1956-57	479,343
	1957-58	1,795,119
	1958-59 <u>1/</u>	1,687,422

2. Wheat and Wheat Products

Wheat and wheat flour classed as "unfit for human consumption", "wheat for experimental purposes, and certified or registered seed wheat approved for planting pursuant to the Federal Seed Act," are not subject to the quotas instituted on May 29, 1941. The base period for wheat and wheat products was set from January 1, 1929, to December 1, 1933; quotas established represent a liberal increase over the average imports during this base period. The basic quotas have not been changed, although certain exemptions were granted during World War II.

A. Separate quotas by country are currently in effect as follows:

	<u>Base Period</u> <u>Imports</u>	<u>Quota</u>	<u>Quota Period</u>
Wheat	25,923 bu.	800,000 bu. <u>2/</u>	May 29 - May 28
Wheat Products	237,137 lbs.	4,000,000 lbs. <u>3/</u>	May 29 - May 28

B. Recent imports are as follows:

	<u>Quota Period</u>	<u>Imports</u> (Bushels)
Wheat	1954-55	795,000
	1955-56	795,000
	1956-57	795,000
	1957-58	795,000
	1958-59 <u>4/</u>	795,000

1/ Imports through 12/9/58. 2/ Of which 795,000 bushels are allocated to Canada, 2,000 - Argentina, 1,000 - France, 1,000 - Rumania, and 1,000 - other specified countries (United Kingdom, Germany, Syria, Netherlands, Italy, Mexico, Guatemala, Brazil, U.S.S.R., Belgium - 100 each). 3/ Of which 3,815,000 pounds are allocated to Canada and varying small amounts to China, Hungary, Hong Kong, Japan, United Kingdom, Germany, Syria, Argentina, Italy, Cuba, and other specified countries (Australia, New Zealand, Chile, Netherlands, France, Greece, Mexico, Panama, Uruguay, Poland (Danzig), Sweden, Yugoslavia, Norway, Canary Islands - 1,000 each). 4/ Imports through 10/31/58.

	<u>Quota Period</u>	<u>Imports</u> (Pounds)
Wheat Flour <u>1/</u>	1954-55	3,822,000
	1955-56	3,818,650
	1956-57	3,815,000
	1957-58	3,815,000
	1958-59 <u>2/</u>	3,816,681

3. Specified Dairy Products

Controls under Section 22 became initially effective July 1, 1953. Total annual quotas are established for the period July 1 through June 30 for all the dairy products as listed below. The Department of Agriculture issues import licenses to individual importers, apportioning these quotas generally on the basis of the proportionate share of total imports imported by each individual importer from supplying countries during a representative base period when no restrictions were in effect.

A. Current total quotas are the same as those initially imposed. They are all for the licensing year period July 1 - June 30.

	<u>Quota</u>
(1) Butter	707,000 lbs.
(2) Dried whole milk	7,000 lbs.
(3) Dried buttermilk	496,000 lbs.
(4) Dried cream	500 lbs.
(5) Dried skimmed milk	1,807,000 lbs.
(6) Malted milk, and compounds or mixtures of or substitutes for milk or cream	6,000 lbs.
(7) Cheddar cheese and cheese and substitutes containing or processed from Cheddar	2,780,100 lbs.
(8) Edam and Gouda cheese	4,600,200 lbs.
(9) Blue-mold cheese	4,167,000 lbs.
(10) Italian type cheese - made from cow's milk, original loaves (Romano made from cow's milk, Reggiano, Parmesano, Provolone, Provolette, and Sbrinz)	9,200,100 lbs.
(11) Butter substitutes. Effective April 15, 1957, a quota was instituted on butter substitutes, including butter oil, containing 45 percent or more of butterfat, at 1,800,000 pounds for calendar year 1957. For subsequent calendar year periods, the quota is 1,200,000 pounds. On August 7, 1957, an embargo was placed on imports of all articles con- taining more than 45 percent or more of butterfat, except those articles already subject to quotas, cheeses evaporated and condensed milk, and products imported in retail packages.	

1/ Includes semolia, crushed or cracked wheat and similar wheat products.

2/ Imports through 10/31/58.

- (a) Butter substitutes, including butter oil, containing 45 percent or more butterfat 1,200,000 lbs
- (b) Articles containing 45 percent or more of butterfat, except those articles already subject to quotas, cheeses, evaporated and condensed milk, and products imported in retail packages 0 lbs.

B. The comparison of quotas with representative period imports are:

<u>Commodity</u>	<u>Representative Period</u>	<u>Average Imports During Representative Periods</u> (Pounds)	<u>Quota</u> (Pounds)
Blue-mold cheese	1948-50	2,066,000	4,167,000
Cheddar cheese	"	5,490,262	2,780,100
Edam and Gouda cheese	"	1,831,085	4,600,200
Italian Types of cheeses	"	8,121,987	9,200,100
Butter	1930-34	1,411,525	707,000
Dried Cream	1948-50	Less than 500	500
Dried whole Milk	"	13,055	7,000
Dried Skimmed Milk	"	3,613,279	1,807,000
Dried Buttermilk	"	991,283	496,000
Malted Milk	"	11,418	6,000
Butteroil	1956	1,800,000	1,800,000

C. Imports Under Quota
(Pounds)

<u>Licensing Year 1/</u>	<u>Blue-mold</u>	<u>Cheddar</u>	<u>Edam & Gouda</u>	<u>Italian types</u>	<u>Butter</u>	<u>Dried Cream</u>
1954	3,464,863	2,685,964	4,378,890	8,218,537	669,731	0
1955	3,372,984	2,440,098	4,452,945	6,952,057	622,367	0
1956	3,876,503	2,649,336	4,377,495	7,245,816	665,772	0
1957	3,832,154	2,646,565	4,373,146	8,154,284	618,777	0
1958	3,859,699	2,651,214	4,474,134	5,456,642	647,504	0

<u>Licensing Year</u>	<u>Dried Whole Milk</u>	<u>Dried Skimmed Milk</u>	<u>Dried Buttermilk</u>	<u>Malted Milk</u>	<u>Butter-oil</u>
1954	4,332	447,800	489,980	5,768	
1955	5,300	1,520,220	495,306	5,992	
1956	5,900	1,807,000	158,360	5,992	
1957	5,900	1,578,286	108,416	530	1,800,000 2/
1958	5,900	1,529,024	452,704	5,964	1,199,991 2/

1/ Ending June 30 of year stated

2/ Calendar year

4. Flaxseed and Linseed Oil

A. Controls under Section 22 were instituted July 1, 1953. Current limitations are the same as those initially imposed.

Flaxseed (except flaxseed approved for planting pursuant to the Federal Seed Act) 50% ad valorem

Linseed Oil, and combination and mixtures in chief value of such oil 50% ad valorem

B. Imports since the application of the additional fee have been:

<u>Period</u>	<u>Flaxseed</u> (Bushels)	<u>Linseed Oil</u> (Pounds)
1954-55	100	476
1955-56	680	0
1956-57	722	468
1957-58	4,310	2,244

5. Peanuts and Peanut Oil

A. Limitations pursuant to Section 22 were instituted July 1, 1953. Current controls are the same as those initially imposed. The quantity quota for peanuts is one half the average quantity, 3,417,812 pounds imported during the representative period January 1, 1936 - December 31, 1939

Peanuts, whether shelled, not shelled, blanched, salted, prepared or preserved (including roasted peanuts but not including peanut butter)	1,709 lbs. (Aggregate during period August 1 - July 31, quantity. Peanuts in the shell charged against this quota on basis of 75 lbs. for each 100 lbs. of in-shell peanuts.)
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Peanut Oil - Ad valorem fee of 25 percent on imports in excess of 80,000,000 pounds during any one period - July 1 - June 30.

B. Imports during the periods indicated compared with the quotas were as follows:

<u>Commodity</u>	<u>Period</u>	<u>Quota</u> (Pounds)	<u>Imports</u> (Pounds)
Peanuts, shelled, unshelled, blanched, roasted, prepared, or preserved (incl. roasted peanuts, but not incl. peanut butter).	1954-55 1/	1,709,000	1,709,000
	1955-56	1,709,000	1,709,000
	1956-57 2/	"	1,709,000
	1957-58	"	1,709,000
	1958-59 3/	"	1,443,915

1/ An extra quota of 51,000,000 pounds of shelled, blanched, salted, prepared or preserved peanuts, in sizes averaging not more than 40 kernels per ounce, at a fee of two cents per pound but not more than 50 percent ad valorem was allowed for the period March 9 - June 30, 1955; import against this totaled 26,650,492 pounds.

2/ An unlimited quantity of Virginia type, or sizes not more than 40 kernels to the ounce, was permitted import during the period August 30 - September 10, 1956 at a fee of seven cents per pound, but not more than 50 percent ad valorem. Imports were reported at 2.2 million pounds during the prescribed period.

3/ Imports through 1/15/59.

<u>Commodity</u>	<u>Period</u>	<u>Quota</u> (Pounds)	<u>Imports</u> (Pounds)
Peanut Oil	1954-55	80,000,000	26,037,536
	1955-56	"	11,100,727
	1956-57	"	0
	1957-58	"	2,050,459
	1958-59 <u>1/</u>	"	3,380,178

6. Rye, Rye Flour and Meal

Controls became initially effective April 1, 1954, on imports of rye, rye flour and rye meal. Certified or registered seed approved for planting pursuant to the Federal Seed Act is not subject to the quota instituted on April 1, 1954. The base period for rye, rye flour and meal was determined to be January 1, 1950 - December 31, 1953; the quota of 186,000,000 pounds annually approximates the average imports during the base period. Current limitations are the same as those initially imposed and expire on June 30, 1959, unless renewed in some form by the President.

A. Current quotas are as follows:

	<u>Base Period</u> <u>Imports</u>	<u>Quota</u>	<u>Quota Period</u>
Rye, rye flour and meal	85,759,365 lbs.	186,000,000 lbs.	<u>2/</u> July 1 - June 30

B. Imports under the quota have been as follows:

<u>Commodity</u>	<u>Period</u>	<u>Import</u> (Pounds)
Rye, rye flour and meal	1954-55	186,000,000
	1955-56	182,280,000
	1956-57	174,960,031
	1957-58	182,280,000
	1958-59 <u>3/</u>	182,178,566

7. Tung Oil and Tung Nuts

A. Tung Oil

The quota was instituted on September 9, 1957, and provides for the annual entry of 26,000,000 pounds annually for the year ending October 31, except that the quota year ending October 31, 1958, was deemed to begin on September 9, 1957. The Presidential Proclamation provided that entry would be allowed during specified periods of the year and from specified countries in amounts on a pro-rated basis. The country quotas and imports by the prescribed periods are shown in the following table.

1/ Imports through 12/31/58

2/ Imports of rye flour and meal may not exceed 15,000 pounds. Total imports from Canada may not exceed 182,280,000 pounds, with the remainder (3,720,000 lbs.) from all other countries.

3/ Imports through 1/15/59.

<u>Period</u>	<u>Country</u>	<u>Quota</u> (Pounds)	<u>Imports</u> (Pounds)
<u>1957</u>			
Sept. 9 - Sept. 30	Argentina	719,156	131,835
	Paraguay	96,452	0
	Other	<u>30,458</u>	<u>30,458</u>
	Total	846,066	162,293
Oct 1 - Oct. 31	Argentina	980,900	980,900
	Paraguay	131,556	131,556
	Other	<u>41,544</u>	<u>41,544</u>
	Total	1,154,000	1,154,000
Nov. 1 - Nov. 30	Argentina	980,900	764,771
	Paraguay	131,556	131,556
	Other	<u>41,544</u>	<u>41,544</u>
	Total	1,154,000	937,871
Dec. 1 - Dec. 31	Argentina	980,900	767,978
	Paraguay	131,556	131,556
	Other	<u>41,544</u>	<u>41,544</u>
	Total	1,154,000	941,078
<u>1958</u>			
Jan. 1 - Jan. 31	Argentina	980,900	768,307
	Paraguay	131,556	131,556
	Other	<u>41,544</u>	<u>41,544</u>
	Total	1,154,000	941,407
Feb. 1 - Oct. 31	Argentina	18,475,901 <u>1/</u>	18,475,901
	Paraguay	2,437,128 <u>1/</u>	2,437,128
	Other	<u>739,366 <u>1/</u></u>	<u>739,366</u>
	Total	21,652,395 <u>1/</u>	21,652,395
Licensing year total (Sept. 9, 1957 - Oct. 31, 1958)	Argentina	22,100,000	21,889,692
	Paraguay	2,964,000	2,963,352
	Other	<u>936,000</u>	<u>936,000</u>
	Total	26,000,000	25,789,044
Nov. 1, 1958 - Jan. 31, 1959 <u>2/</u>	Argentina	5,525,000	5,489,039
	Paraguay	741,000	741,000
	Other	234,000	234,000

1/ Includes all or part of any unused quota for the period September 9, 1957 - January 31, 1958

2/ Imports through 1/15/59.

B. Tung Nuts

Effective April 28, 1958, no tung nuts shall be permitted to be entered, or withdrawn from warehouse, for consumption in any quota period specified in the proclamation of September 9, 1957, after the total aggregate quantity of tung nuts and tung oil entered, or withdrawn from warehouse, for consumption in any such quota period has reached, in terms of oil, the equivalent of the quota for tung oil specified in that proclamation for such quota period. For the purposes of this proclamation the oil content of tung nuts shall be computed on the basis of 15.9 pounds for each 100 pounds of whole nuts, and on the basis of 35.8 pounds of oil for each 100 pounds of decorticated nuts.

C. Equitable Treatment of Supplying Countries

In order to assure equitable treatment to supplying countries, all tung oil and tung nuts entered, or withdrawn from warehouse, for consumption pursuant to the proclamation of September 9, 1957, or this proclamation, shall have been a direct shipment destined to the United States on an original through bill of lading from the country of production.